

BRANSTETTER, KILGORE, STRANCH & JENNINGS

ATTORNEYS AT LAW

227 SECOND AVENUE NORTH

FOURTH FLOOR

NASHVILLE, TENNESSEE 37201-1631

TELEPHONE  
(615) 254-8801

FACSIMILE  
(615) 250-3937

CECIL D. BRANSTETTER, SR.  
C. DEWEY BRANSTETTER, JR.  
RANDALL C. FERGUSON  
R. JAN JENNINGS\*  
CARROL D. KILGORE  
DONALD L. SCHOLES  
JAMES C. STRANCH, III  
JANE B. STRANCH

JOE P. LENISKI, JR.  
MARK A. MAYHEW  
J. GERARD STRANCH, IV

\*ALSO ADMITTED IN GA

July 22, 2005

② TN REGULATORY AUTHORITY  
DOCKET ROOM

\_\_\_\_\_

Ms. Sharla Dillon  
Docket Room Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

*Via Hand Delivery*

Re: Petition of Lynwood Utility Corporation for Approval of and Authority to Borrow  
Up to \$1,000,000 to Repay Short Term Indebtedness Pursuant to T.C.A. § 65-4-  
109

Dear Sharla:

I have enclosed for filing an original and fourteen copies of the Petitioner's Response to Data Request. I have enclosed an extra copy of the Response which I would appreciate your returning to me stamped filed. Thank you for your assistance in this matter.

Sincerely yours,

*Donald L. Scholes*

DONALD L. SCHOLES

Enclosures

c: Tyler Ring  
Jim Ford

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**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**Nashville, Tennessee**

|   |   |                            |
|---|---|----------------------------|
| <b>In re: PETITION OF LYNWOOD UTILITY</b> | ) |                            |
| <b>CORPORATION FOR APPROVAL OF</b>        | ) |                            |
| <b>AND AUTHORITY TO BORROW UP</b>         | ) | <b>Docket No. 05-00173</b> |
| <b>TO \$1,000,000 TO REPAY SHORT</b>      | ) |                            |
| <b>TERM INDEBTEDNESS PURSUANT TO</b>      | ) |                            |
| <b>T.C.A. § 65-4-109</b>                  | ) |                            |

**PETITIONER'S RESPONSE TO DATA REQUEST**

Comes now Lynwood Utility Corporation (Lynwood) and files this Response to the Staff Data Request dated July 12, 2005 in this matter.

1. Per the Promissory Note and/or Line of Credit in Exhibit 5 of the Petition filed with the Authority on June 28, 2005, provide documentation showing how much of the \$1,250,000.00 Note and/or line of credit has been used to date by Lynwood, how much principal had been paid to Tenn. Contractors, Inc., how much interest has been paid to Tenn. Contractors, Inc., and the unpaid balances on the principal and interest as of June 30, 2005.

Response: To date Lynwood has borrowed \$980,000 on the line of credit. Lynwood has made no principal or interest payments on the line of credit. The unpaid principal balance as of June 30, 2005 is \$980,000. The unpaid interest as of June 30, 2005 is \$119,772.00.

2. Does Lynwood maintain an escrow, or any other account to appropriate funds for system repairs or operations in the event of an emergency?

Response: No

3. If Lynwood does not have an escrow, or other account, explain how the company would fund system repairs or operations in the event of an emergency?

Response: In the event of an emergency, Lynwood would finance system repairs and operation from working capital first. After Lynwood pays off the short term \$1,250,000 line of credit to Tenn. Contractors, Inc. upon the approval of the loan in this matter, Lynwood will intends to have in place a short term line of credit in an amount up to \$250,000 with Tenn. Contractors, Inc. to finance any system repairs or operations in the event of an emergency.

4. Confirm that Lynwood will continue to operate and/or provide service under its current name and CCN issued by the Authority, and its business licenses as filed with the Tennessee Secretary of State's Office.

Response: Lynwood will continue to operate under its current name and CCN issued by the Authority, and Lynwood will continue to operate as its business is filed with the Secretary of State's office.

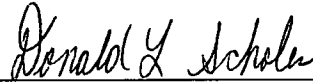
5. Verify all current CCNs issued with the Authority, and provide copies of all current business licenses of Lynwood Utility Corporation filed with the Tennessee Secretary of State's Office.

Response: See attached the 2005 Annual Corporation Report filed by Lynwood Utility Corporation with the Secretary of State and the Order entered by the Tennessee Public Service Commission dated June 27, 1996, approving the transfer of the CCN of Lynwood Utility

Company to Lynwood Utility Corporation which has continued to operate the CCN since June 27, 1996.

Dated this 22nd day of July, 2005.

Respectfully submitted,



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DONALD L. SCHOLES BPR# 10102

**Branstetter, Kilgore, Stranch & Jennings**

227 Second Avenue, North, Fourth Floor

Nashville, TN 37201-1631

(615) 254-8801

*Attorney for Lynwood Utility Corporation*

**Secretary of State**  
**Division of Business Services**  
312 Eighth Avenue North  
6th Floor, William R. Snodgrass Tower  
Nashville, Tennessee 37243

ISSUANCE DATE: 07/18/2005  
REQUEST NUMBER: 05199533

CHARTER/QUALIFICATION DATE: 05/05/1995  
STATUS: ACTIVE  
CORPORATE EXPIRATION DATE: PERPETUAL  
CONTROL NUMBER: 0294370  
JURISDICTION: TENNESSEE

TO:  
ORTALE KELLEY HERBERT  
DOUGLAS A BRACE  
PO BOX 198985  
NASHVILLE, TN 37219-8985

REQUESTED BY:  
ORTALE KELLEY HERBERT  
DOUGLAS A BRACE  
PO BOX 198985  
NASHVILLE, TN 37219-8985

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT  
"LYNWOOD UTILITY CORPORATION"

WAS INCORPORATED OR QUALIFIED TO DO BUSINESS IN THE STATE OF TENNESSEE ON THE  
ABOVE DATE, AND THAT THE ATTACHED DOCUMENT(S) WAS/WERE FILED IN OFFICE ON THE  
DATE(S) AS BELOW INDICATED:

| REFERENCE<br>NUMBER | DATE FILED | FILING TYPE | FILING ACTION                       |
|---------------------|------------|-------------|-------------------------------------|
| 5407-1751           | 04/01/2005 | AN RPT      | NAM DUR STK PRN OFC AGT INC MAL FYC |

FOR: REQUEST FOR COPIES

ON DATE: 07/18/05

FEES

FROM:  
ORTALE KELLEY HERBERT & CRAWFORD/200 4TH  
200 4TH AVE N  
3RD FL NOEL PLACE  
NASHVILLE, TN 37219-8985

RECEIVED: \$20.00 \$0.00  
TOTAL PAYMENT RECEIVED: \$20.00

RECEIPT NUMBER: 00003775232  
ACCOUNT NUMBER: 00000088



*Riley C Darnell*


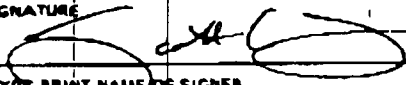
RILEY C. DARNELL  
SECRETARY OF STATE

## CORPORATION ANNUAL REPORT

Please return completed form to:  
**TENNESSEE SECRETARY OF STATE**  
 Attn: Annual Report  
 312 Eighth Ave. N. 6th Floor  
 William R. Snodgrass Tower  
 Nashville, TN 37243

## Annual Report Filing Fee Due:

\$20, if no changes are made in block #6 to the registered agent/office, or  
 \$40, if any changes are made in block #6 to the registered agent/office

|   |               |                            |                           |  |        |
|---|---------------|----------------------------|---------------------------|--|--------|
| CURRENT FISCAL YEAR CLOSING MONTH 12  |               | IF DIFFERENT, _____        |                           | THIS REPORT IS DUE ON OR BEFORE 04/01/05 |        |
| (1) SECRETARY OF STATE CONTROL NUMBER 0294370   |               |                            |                           |  |        |
| (2A) NAME AND MAILING ADDRESS OF CORPORATION:   |               |                            |                           | (2B) STATE OR COUNTRY OF INCORPORATION:  |        |
| LYNWOOD UTILITY CORPORATION<br>5250 VIRGINIA WAY<br>SUITE 155<br>BRENTWOOD, TN 37027<br>   |               |                            |                           | TENNESSEE                                |        |
| (2C) ADD OR CHANGE MAILING ADDRESS:   |               |                            |                           |  |        |
| D 05/05/1995 FOR PROFIT   |               |                            |                           |  |        |
| (3) A. PRINCIPAL ADDRESS INCLUDING CITY, STATE, ZIP CODE<br>245 SPENCER CREEK RD, FRANKLIN, TN 37069  |               |                            |                           |  |        |
| B. CHANGE OF PRINCIPAL ADDRESS:   |               |                            |                           |  |        |
| STREET  |               | CITY                       |                           | STATE ZIP CODE + 4                       |        |
| (4) NAME AND BUSINESS ADDRESS, INCLUDING ZIP CODE, OF THE PRESIDENT, SECRETARY AND OTHER PRINCIPAL OFFICERS<br>(ATTACH ADDITIONAL SHEET IF NECESSARY.)  |               |                            |                           |  |        |
| TITLE   | NAME          | BUSINESS ADDRESS           | CITY, STATE, ZIP CODE + 4 |  |        |
| PRESIDENT   | Tyler King    | 5250 VIRGINIA WAY, STE 155 | BRENTWOOD TN 37027        |  |        |
| SECRETARY   | Scott Fendley | "                          | SAME AS ABOVE             |  |        |
| (5) BOARD OF DIRECTORS (NAMES, BUSINESS ADDRESS INCLUDING ZIP CODE) (ATTACH ADDITIONAL SHEET IF NECESSARY)  |               |                            |                           |  |        |
| OR LISTED BELOW   | NAME          | BUSINESS ADDRESS           | CITY, STATE, ZIP CODE + 4 |  |        |
|   |               |                            |                           |  |        |
|   |               |                            |                           |  |        |
| (6) A. NAME OF REGISTERED AGENT AS APPEARS ON SECRETARY OF STATE RECORDS<br>DOUGLAS A. BRACE  |               |                            |                           |  |        |
| B. REGISTERED ADDRESS AS APPEARS ON SECRETARY OF STATE RECORDS<br>200 FOURTH AVE NORTH, 3RD FLOOR, NASHVILLE, TN 37219  |               |                            |                           |  |        |
| C. INDICATE BELOW ANY CHANGES TO THE REGISTERED AGENT NAME AND/OR REGISTERED OFFICE   |               |                            |                           |  |        |
| (1) CHANGE OF REGISTERED AGENT  |               |                            |                           |  |        |
| (2) CHANGE OF REGISTERED OFFICE:  |               |                            |                           |  |        |
| STREET  |               | CITY                       | STATE                     | ZIP CODE + 4                             | COUNTY |
|   |               | TN                         |                           |  |        |
| 7) A. THIS BOX APPLIES ONLY TO NONPROFIT CORPORATIONS. OUR RECORDS REFLECT THAT YOUR NONPROFIT CORPORATION IS A PUBLIC BENEFIT OR A MUTUAL BENEFIT CORPORATION AS INDICATED. IF BLANK OR INCORRECT, PLEASE CHECK APPROPRIATE BOX: |               |                            |                           |  |        |
| <input type="checkbox"/> PUBLIC<br><input type="checkbox"/> MUTUAL  |               |                            |                           |  |        |
| B. IF A TENNESSEE RELIGIOUS CORPORATION, PLEASE CHECK BOX IF BLANK.   |               |                            |                           |  |        |
| <input type="checkbox"/> RELIGIOUS  |               |                            |                           |  |        |
| 8) SIGNATURE  |               |                            |                           | 9) DATE                                  |        |
|    |               |                            |                           | 3/15/05                                  |        |
| 10) TYPE PRINT NAME OF SIGNER   |               |                            |                           | 11) TITLE OF SIGNER                      |        |
| SCOTT C. FENDLEY  |               |                            |                           | SEC.                                     |        |

THIS REPORT MUST BE DATED AND SIGNED



**BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION**

**In Re:**

**Transfer of Certificate of  
Convenience and Necessity from  
Lynnwood Utility Company to  
Lynnwood Utility Corporation**

**Docket No. 96-01012**

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**ORDER GRANTING PETITION TO TRANSFER  
CERTIFICATE OF CONVENIENCE AND NECESSITY  
AND APPROVAL OF ASSET PURCHASE AGREEMENT**

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Upon review of the Joint Verified Petition, and Supplement thereto, filed by Lynnwood Utility Company and Lynnwood Utility Corporation, upon receipt and review of the recommendation of Commission staff, upon entry of appearance of the Tennessee Attorney General's Office, Consumer Advocate Division, without objection to the petition, and upon receipt of information concerning resolution of concerns raised by Farmington Homeowners' Association (said concerns being raised by a Petition to Intervene which subsequently was withdrawn and said concerns being addressed by ¶ 2 below), the Tennessee Public Service Commission hereby **ORDERS** as follows:

1. The Commission herein approves the Asset Purchase Agreement (dated March 5, 1996 and as amended by amendments dated May 30, 1996 and June 24, 1996) and incorporates in its approval the commitment by Lynnwood Utility Corporation set forth in the Petition that it will not petition the Commission for a rate or tap fee increase to recoup the difference between

the purchase price of the assets of Lynnwood Utility Company and the net book value of the system's assets.

2. The Commission herein approves, pursuant to T.C.A. § 65-4-113, the transfer of the Certificate of Convenience and Necessity issued to Lynnwood Utility Company on June 14, 1976 to Lynnwood Utility Corporation with the following conditions:

- (a) The certificated service area of the present Lynnwood Utility Company transferred to Lynnwood Utility Corporation will hereafter exclude the area currently occupied by the Farmington, Meadowgreen and Hillsboro Acres subdivisions in northern Williamson County. This area is being excluded from the certificated service area of Lynnwood Utility Corporation to permit the residents of the Farmington, Meadowgreen and Hillsboro Acres subdivisions to create a utility district under state law to provide sewer service to this area so excluded from the Lynnwood service area.
- (b) Notwithstanding the exclusion of the aforesaid areas from the Lynnwood service area, Lynnwood Utility Corporation may nevertheless need reasonable access/easement rights through the areas so excluded from the Lynnwood service area to provide sewer service to future customers in that portion of its service area that lies to the east of the excluded areas. Farmington Homeowners Association, Inc. has agreed to grant such access/easement rights over any property owned by it needed to serve such area pursuant to a recordable easement agreement reasonably acceptable to




it and Lynnwood Utility Corporation, and Farmington Homeowners Association, Inc. will cooperate with Lynnwood Utility Corporation in obtaining access/easement rights needed by Lynnwood Utility Corporation to serve such area from any other person or entity within the excluded areas.

- (c) If a new sewer utility district is created for the area above-excluded from the Lynnwood service area, and if that new sewer utility approaches Lynnwood Utility Corporation to request the use of its plant for sewer treatment, all engineering plans and specifications for such utilization are subject to the approval of an engineering firm of Lynnwood Utility Corporation's choice, and the granting by Lynnwood Utility Corporation of such use shall be upon such reasonable terms, requirements, and conditions as shall be set forth by Lynnwood Utility Corporation;
- (d) In the event the residents of the Farmington, Meadowgreen, and Hillsboro Acres subdivisions do not create a utility district to provide sewer service within this exclusive area, the area herein excluded from the certificated service area of Lynnwood Utility Corporation, or any part thereof, shall be incorporated back into its certificated service area only upon a petition being filed by, and at the election of, Lynnwood Utility Corporation with the appropriate body.

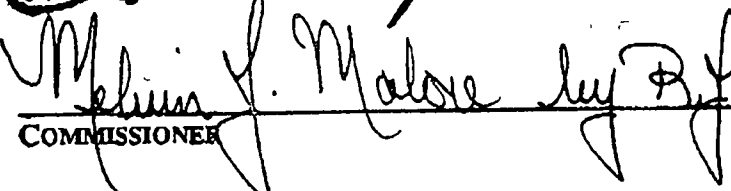
(3) Upon the closing of the Asset Purchase Agreement, as amended, Lynnwood Utility Corporation will have full authority to provide sewer services to the designated service area, as modified herein, subject to the continuing regulation of the Commission or any subsequent governmental authority having jurisdiction over such matters. Lynnwood Utility Corporation is to comply fully with all applicable policies, rules, regulations and orders of the Commission or any subsequent governmental authority having jurisdiction over such matters relating to the providing of said service.

(4) Upon the closing of the Asset Purchase Agreement, as amended, Lynnwood Utility Company will no longer have any authority or obligation to provide sewer services to the service area, as modified herein, or to the area specifically excluded herein from the service area.

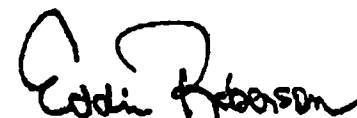
It is so ORDERED this the 27th day of June, 1996.

  
CHAIRMAN

  
COMMISSIONER

  
COMMISSIONER

ATTEST:

  
EXECUTIVE DIRECTOR

**APPROVED FOR ENTRY:**

*J. Graham Matherne by Donald L. Scholes with permission*  
**J. GRAHAM MATHERNE (NO. 11294)**

**WYATT, TARRANT & COMBS**  
1500 Nashville City Center  
511 Union Street  
Nashville, TN 37219  
(615) 244-0020

**ATTORNEYS FOR LYNNWOOD COMPANY**

*D. Mark Sheets by Donald L. Scholes with permission*  
**D. MARK SHEETS (NO. 1060)**

**JOSEPH F. WELBORN, III (NO. 15076)**  
**BASS, BERRY & SIMS, PLC**  
2700 First American Center  
Nashville, TN 37238-2700  
(615) 742-6200

**ATTORNEYS FOR LYNNWOOD CORPORATION**

*Donald L. Scholes*

**DONALD L. SCHOLES (NO. 10102)**  
**BRANSTETTER, KILGORE, STRANCH & JENNINGS**  
227 Second Avenue North, Fourth Floor  
Nashville, TN 37201-1691  
(615) 254-8801

**ATTORNEY FOR FARMINGTON HOMEOWNERS ASSOCIATION, INC.**